

HOUSE BILL 1083

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2lr0899

By: **Delegate Rosenberg**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Gas Companies – Service Extension – Costs**

3 FOR the purpose of authorizing the owners of certain residential properties in a
4 certain area who request extension of gas service to the area by a gas company
5 to obtain a certain alternative proposal; requiring a certain alternative proposal
6 to contain certain information, meet certain standards, and provide for payment
7 in a certain manner; requiring the Public Service Commission to establish a
8 certain methodology for comparing certain proposals; authorizing certain
9 property owners to select between certain proposals for a gas service extension;
10 establishing certain standards for the installation of certain gas service
11 extensions; requiring the approval of a certain utility construction company by
12 the Commission or the gas company under certain circumstances; providing
13 that a certain gas service extension becomes the property of the gas company on
14 completion and execution of a certain agreement; providing for the payment for
15 the gas service extension; prohibiting a gas company from discriminating
16 between certain gas customers on a certain basis; requiring each gas company
17 to publish certain information in a certain manner; providing for the adoption
18 by the Commission of certain procedures in a certain manner; providing for the
19 purpose and application of this Act; and generally relating to gas service
20 extensions.

21 BY adding to

22 Article – Public Utilities

23 Section 7–309

24 Annotated Code of Maryland

25 (2010 Replacement Volume and 2011 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

28 **Article – Public Utilities**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **7-309.**

2 (A) THE PURPOSE OF THIS SECTION IS TO PROMOTE ACCESS BY THE
3 PUBLIC TO PUBLIC UTILITY SERVICES AND TO ENCOURAGE THE CONVERSION
4 OF RESIDENTIAL COMBUSTION-BASED HEATING SYSTEMS TO NATURAL GAS
5 FROM HEATING OIL, WOOD, AND OTHER MATERIALS IN ORDER TO DECREASE
6 THE LEVEL OF PARTICULATES AND OTHER POLLUTANTS RESULTING FROM
7 HOME HEATING COMBUSTION.

8 (B) THIS SECTION APPLIES TO THE EXTENSION OF GAS MAINS, SERVICE
9 LINES, AND OTHER GAS PLANT TO RESIDENTIAL AREAS NOT CURRENTLY
10 RECEIVING GAS SUPPLY FROM A GAS COMPANY FOR THE PURPOSE OF
11 CONVERTING EXISTING COMBUSTION HEATING SYSTEMS TO NATURAL GAS.

12 (C) (1) IN THE CASE OF A REQUEST FOR A GAS COMPANY TO EXTEND
13 GAS SERVICE TO THREE OR MORE RESIDENTIAL PROPERTIES IN A DEFINED
14 AREA, THE PROPERTY OWNERS SHALL BE GIVEN THE OPPORTUNITY TO SEEK AN
15 ALTERNATIVE ESTIMATED INSTALLATION COST PROPOSAL FROM A UTILITY
16 CONSTRUCTION COMPANY CHOSEN BY THE PROPERTY OWNERS TO COMPARE
17 WITH THE GAS COMPANY'S ESTIMATED INSTALLATION COST OF THE NECESSARY
18 GAS MAINS, SERVICE LINES, AND OTHER GAS PLANT AND INSTALLATION
19 SERVICES NECESSARY TO PROVIDE GAS SUPPLY TO THE RESIDENTIAL
20 PROPERTIES.

21 (2) AN ALTERNATIVE ESTIMATED INSTALLATION COST PROPOSAL
22 UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:

23 (I) INCLUDE THE SAME REQUIRED GAS MAINS, SERVICE
24 LINES, AND OTHER GAS PLANT AND INSTALLATION SERVICES AS ARE INCLUDED
25 IN THE ESTIMATE FROM THE GAS COMPANY;

26 (II) MEET OR EXCEED ALL APPLICABLE SAFETY AND
27 PERFORMANCE STANDARDS, INCLUDING ENGINEERING, QUALITY, AND
28 INTERCONNECTION STANDARDS, THAT ARE REQUIRED FOR GAS PLANT THAT
29 THE GAS COMPANY INSTALLS FOR ITS DISTRIBUTION SYSTEM; AND

30 (III) PROVIDE FOR ANTICIPATED PAYMENT FOR THE GAS
31 SERVICE EXTENSION THROUGH A CONTRIBUTION FROM THE PROPERTY
32 OWNERS AS GAS CUSTOMERS IN THE SAME MANNER THAT A CONTRIBUTION
33 WOULD BE REQUIRED FOR AN EXTENSION INSTALLED BY THE GAS COMPANY.

1 **(3) THE COMMISSION SHALL ESTABLISH A METHODOLOGY FOR**
2 **THE GAS COMPANY AND THE PROPERTY OWNERS TO COMPARE THE**
3 **INSTALLATION PROPOSAL OF THE GAS COMPANY TO THE ALTERNATIVE**
4 **INSTALLATION PROPOSAL OF A UTILITY CONSTRUCTION COMPANY CHOSEN BY**
5 **THE PROPERTY OWNERS.**

6 **(D) (1) IN ACCORDANCE WITH PROCEDURES THE COMMISSION**
7 **ADOPTS BY REGULATION OR ORDER, THE GAS COMPANY SHALL ALLOW THE**
8 **PROPERTY OWNERS TO SELECT BETWEEN INSTALLATION OF THE PROPOSED**
9 **GAS SERVICE EXTENSION BY THE GAS COMPANY OR BY THE UTILITY**
10 **CONSTRUCTION COMPANY.**

11 **(2) THE INSTALLATION OF A GAS SERVICE EXTENSION BY A**
12 **UTILITY CONSTRUCTION COMPANY UNDER THIS SECTION SHALL MEET OR**
13 **EXCEED ALL APPLICABLE SAFETY AND PERFORMANCE STANDARDS, INCLUDING**
14 **ENGINEERING, QUALITY, AND INTERCONNECTION STANDARDS, THAT ARE**
15 **REQUIRED FOR GAS PLANT THAT THE GAS COMPANY INSTALLS FOR ITS**
16 **DISTRIBUTION SYSTEM.**

17 **(3) A UTILITY CONSTRUCTION COMPANY THAT SUBMITS A**
18 **PROPOSAL OR INSTALLS A GAS SERVICE EXTENSION UNDER THIS SECTION MUST**
19 **BE APPROVED BY THE COMMISSION OR THE GAS COMPANY IN ACCORDANCE**
20 **WITH PROCEDURES THE COMMISSION ADOPTS BY REGULATION OR ORDER.**

21 **(E) (1) (I) ON THE COMPLETION OF THE GAS SERVICE EXTENSION,**
22 **THE GAS MAINS, SERVICE LINES, AND OTHER GAS PLANT BECOME THE**
23 **PROPERTY OF THE GAS COMPANY ONCE THE PROPERTY OWNERS AND THE GAS**
24 **COMPANY HAVE EXECUTED A GAS EXTENSION REBATE AGREEMENT IN A FORM**
25 **THAT THE COMMISSION APPROVES.**

26 **(II) THE GAS EXTENSION REBATE AGREEMENT SHALL**
27 **REQUIRE THE GAS COMPANY TO PAY TO THOSE PROPERTY OWNERS A**
28 **PROPORTIONATE SHARE OF THE PROCEEDS THAT THE GAS COMPANY COLLECTS**
29 **FROM OTHER PROPERTY OWNERS WHO SUBSEQUENTLY CONNECT TO THE GAS**
30 **SERVICE EXTENSION THAT IS THE SUBJECT OF THE AGREEMENT.**

31 **(2) THE PROPERTY OWNERS SHALL BE SUBJECT TO**
32 **CONTRIBUTION FOR THE COST OF A GAS SERVICE EXTENSION INSTALLED BY A**
33 **UTILITY CONSTRUCTION COMPANY IN THE SAME MANNER THAT THEY WOULD BE**
34 **SUBJECT TO CONTRIBUTION FOR A GAS SERVICE EXTENSION INSTALLED BY THE**
35 **GAS COMPANY.**

1 **(3) A GAS COMPANY MAY NOT DISCRIMINATE BETWEEN GAS**
2 **CUSTOMERS SERVED BY A GAS SERVICE EXTENSION INSTALLED BY THE GAS**
3 **COMPANY AND A GAS SERVICE EXTENSION INSTALLED BY A UTILITY**
4 **CONSTRUCTION COMPANY UNDER THIS SECTION.**

5 **(F) EACH GAS COMPANY SHALL PUBLISH ON ITS WEB SITE AND BY**
6 **OTHER APPROPRIATE MEANS A DESCRIPTION OF THE PROCEDURES FOR**
7 **OBTAINING AND CONNECTING TO AN EXTENSION OF GAS MAINS, SERVICE LINES,**
8 **AND OTHER GAS PLANT IN RESIDENTIAL AREAS THAT ARE IN THE SERVICE**
9 **TERRITORY OF THE GAS COMPANY BUT ARE NOT CURRENTLY RECEIVING GAS**
10 **SUPPLY FROM THE GAS COMPANY.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2012.